

Message Text

CONFIDENTIAL

PAGE 01 BRASIL 03079 01 OF 02 210403Z
ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 EB-08 OES-06 ERDA-05 FEA-01 INT-05 IO-13
/094 W

-----210409Z 036931 /62

R 191230Z APR 77
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 1142
INFO AMEMBASSY ASUNCION
AMEMBASSY BUENOS AIRES
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO
AMEMBASSY MONTEVIDEO

C O N F I D E N T I A L SECTION 1 OF 2 BRASILIA 3079

C O R R E C T E D C O P Y-MONTEVIDEO ADDED AS ADDEE

E.O. 11652: GDS
TAGS: PFOR, BR, PA
SUBJ: GEISEL AND STROESSNER MEET

1. SUMMARY. GEISEL AND STROESSNER, WITH RESPECTIVE FOREIGN MINISTERS, MET FOR TWO HOURS APRIL 11 NEAR RIO TO DISCUSS PRIMARILY HYDROELECTRIC PROJECTS ON PARANA RIVER. ITAMARATY AIDE CONFIRMED U.S.-LATIN AMERICAN POLICY WAS DISCUSSED, BUT ONLY IN CASUAL WAY. BRAZILIANS ARE PASSING OFF MEETING AS ROUTINE STOPOVER BY PARAGUAYAN PRESIDENT ENROUTE TO FISHING VACATION ON BRAZIL'S ATLANTIC COAST. FOREIGN OFFICE SOURCE AND PRESS SAW LINKAGE BETWEEN DISCUSSIONS OF CORPUS AND VIDELA VISIT TO PARAGUAY NEXT WEEK. END SUMMARY.

2. PRESIDENT STROESSNER AND GIESEL AND FOREIGN MINISTERS MET FOR 2 HOURS APRIL 11 NEAR RIO COVERING WHAT WAS CLASSIFIED AS AN "OPEN AGENDA," BUT FOCUSING ON HYDROELECTRIC
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRASIL 03079 01 OF 02 210403Z

PROJECT PROBLEMS. STROESSNER VISIT WITH GEISEL WAS PRESENTED OFFICIALLY AS AN ADJUNCT TO PARAGUAYAN'S FISHING HOLIDAY ON ATLANTIC COAST. GIESEL TOLD PRESS AFTER MEETING TWO COUNTRIES HAD NO DIFFERENCES OVER ITAIPU AND THAT WORK WAS PROGRESSING AS EXPECTED. STROESSNER ADDED THAT TWO HAD DISCUSSED JOINT ARGENTINE-PARAGUAYAN CORPUS PROJECT DOWNSTREAM FROM ITAIPU.

3. FOREIGN MINISTERS' PRESS CONFERENCE

ADDED LITTLE OF SUBSTANCE. SILVEIRA DENIED GEISEL AND STROESSNER HAD DISCUSSED A POSSIBLE JOINT ATTITUDE TOWARDS THE CARTER ADMINISTRATION LATIN AMERICAN POLICY, BUT OBLIQUELY ADDED THAT LATIN AMERICANS HAD ABILITY TO STRENGTHEN THEIR SOLIDARITY BY ADOPTING COMMON POSITIONS IN INTERNATIONAL FORA AND BY COOPERATING AMONG THEMSELVES. REGARDING PARANA RIVER HYDROELECTRIC PROJECTS, SILVEIRA, IN ALLUSION TO CORPUS, SAID ITAIPU HAD BEEN PLANNED IN SUCH A FASHION THAT IT RESPECTED THE RIGHTS OF OTHER STATES. HE EMPHASIZED THAT NO COUNTRY WHICH SHARES A RIVER SHOULD EXPLOIT IT WITHOUT NEGOTIATING WITH THE OTHER COUNTRY.

4. FOREIGN MINISTER'S SPECIAL ASSISTANT FOR LATIN AMERICAN AFFAIRS, JOSE NOGUEIRA FILHO, WHO WAS IN RIO FOR MEETING INDICATED HYDROELECTRIC PROBLEMS DOMINATED "OPEN AGENDA." PARAGUAYANS APPARENTLY TRIED TO COMPROMISE BRAZILIAN AND ARGENTINE POSITIONS OVER HEIGHT OF CORPUS DAM. ACCORDING TO NOGUEIRA, ARGENTINES WANT 120 METER HEIGHT (ABOVE SEALEVEL) FOR CORPUS. HE ALSO SAID BRAZILIANS THINK IT SHOULD BE NO HIGHER THAN BOTTOM OF ITAIPU DAM, OR 98 METERS ABOVE SEALEVEL, BUT GOB IS WILLING TO ACCEPT 100 METER HEIGHT FOR CORPUS. PARAGUAY IS APPARENTLY URGING BRAZILIANS TO ACCEPT 110 METERS AS COMPROMISE. NOGUEIRA CLAIMED THAT ANY DIFFERENTIAL GOB CONCEDES TO ARGENTINA TAKES A MUCH NEEDED

CONFIDENTIAL

PAGE 03 BRASIL 03079 01 OF 02 210403Z

POWER DIFFERENTIAL AWAY FROM BRAZIL TO THE ADVANTAGE OF ARGENTINA. PARAGUAY STANDS TO LOSE NOTHING BECAUSE WHAT SHE LOSES AT ITAIPU SHE CAN RECOUP BY THE GAIN AT CORPUS. (HEIGHT DIFFERENTIALS SEEM TO BE THE MAJOR PRACTICAL ISSUE FOR GOB; SILVEIRA TOLD PRESS THE FLOODING OF BRAZILIAN TERRITORY, A VIOLATION OF BRAZILIAN SOVEREIGNTY, WAS "UNACCEPTABLE TO BRAZIL.")

5. PRESS LINKED STROESSNER VISIT AND DISCUSSION OF CORPUS TO GOP'S PREPARATIONS FOR VIDELA VISIT TO PARAGUAY NEXT WEEK, IN WHICH CORPUS PROJECT IS EXPECTED TO BE A MAJOR ISSUE. GOP FOREIGN MINISTER, HOWEVER, DENIED TO PRESS ANY LINKAGE. APRIL 13 ESTADO BACKGROUNDER CLAIMED GOB HAD 'DEFINITELY CLOSED ANY POSSIBILITY' OF BRAZIL-PARAGUAY ACCORD LOWERING ITAIPU. PAPER SAID A REDUCTION OF 10 METERS IN ITAIPU WOULD REDUCE DAM'S POWER OUTPUT BY 2 MILLION KILOWATTS.

6. NOGUEIRA SAID THAT STROESSNER AND GEISEL HAD TALKED ABOUT US POLICY IN THE AREA, PROBABLY FOCUSING ON CARTER ADMINISTRA-

TION POLICY, BUT ONLY IN GENERAL TERMS. THIS HAD NOT BEEN A
PRIMARY ISSUE OR REASON FOR THE MEETING, ACCORDING TO NOGUEIRA.
STROESSNER ADMITTED TO INTERVIEWER (APRIL 13 O GLOBO) CARTER
HUMAN RIGHTS POLICY WAS DISCUSSED WITH GEISEL AND ADDED "WE
NEED TO EXCHANGE IDEAS WITH THEM" (THE US).

7. NOGUEIRA EXPLAINED SOMEWHAT UNUSUAL PRESENCE OF SNI CHIEF
GENERAL FIGUEIREDO AT MEETING AS FUNCTION OF GENERAL'S PRIOR
SERVICE IN PARAGUAY WITH BRAZILIAN MILITARY MISSION AND CLOSE
PERSONAL RELATIONSHIP HE HAS WITH STROESSNER.

8. GE REPRESENTATIVE IN BRAZIL TOLD CONGEN RIO OFFICER THAT
TIMING WAS RIGHT FOR "POLITICAL" SOLUTION, THUS TALKS AT
PRESIDENTIAL LEVEL, ABOUT LONG PENDING DISAGREEMENT BETWEEN
PARAGUAY AND BRAZIL OVER DIFFERENT FREQUENCIES OF NATIONAL
GRIDS (50 CPS FOR PARAGUAY AND ARGENTINA AND 60 CPS FOR BRAZIL).
PRESENTATIONS OF THE FOUR CONSORTIA (GE, WESTINGHOUSE/ALLIS,
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BRASIL 03079 01 OF 02 210403Z

EUROPEAN, AND JAPANESE) TECHNICAL PROPOSALS THIS MONTH WILL BE
FOLLOWED NEXT MONTH WITH THE CRUCIAL FINANCIAL PROSOSALS. BOTH
TECHNICAL AND FINANCIAL PACKAGES ARE HEAVILY INFLUENCED BY
WHETHER EQUIPMENT IS TO BE 50- OR 6- CYCLE, OR ADJUSTABLE IN
EITHER DIRECTION; ANY REALISTIC EVALUATION OF BIDS WILL DEPEND
ON DEFINITION OF CYCLES, SINCE ADJUSTABLE VERSIONS WILL BE
CONSIDERABLY MORE EXPENSIVE (AND VARIATIONS IN EXPENSE WILL

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BRASIL 03079 02 OF 02 210403Z
ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 EB-08 OES-06 ERDA-05 FEA-01 INT-05 IO-13
/094 W

-----210408Z 036935 /61/50

R 191230Z APR 77
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 1143
INFO AMEMBASSY ASUNCION
AMEMBASSY BUENOS AIRES

AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO
AMEMBASSY MONTEVIDEO

C O N F I D E N T I A L SECTION 2 OF 2 BRASILIA 3079

C O R R E C T E D C O P Y-MONTEVIDEO ADDED AS ADDEE

THEMSELVES BE SUBSTANTIAL AMONG THE MAJOR BIDDERS). NECESSARILY, ALL BIDDERS ARE OFFERING A RANGE OF POSSIBILITIES IN BOTH THEIR TECHNICAL AND FINANCIAL PACKAGES, BUT THE FULL RANGE OF PERMUTATIONS TO BE CONTEMPLATED BY THE PROJECT MANAGMENT WILL BE MIND-BOGGLING. ON THE OTHER HAND, A "POLITICAL" DECISION ON FREQUENCY IS COMPLICATED BY PARAGUAYAN AGREEMENT WITH ARGENTINA FOR CONSTRUCTION OF CORPUS HYDRO PROJECT. THUS, GE REP FOUND PRESS CONCENTRATION IN REPORTING THE PRESIDENTS' MEETING ON THE GENERAL CONFLICTS BETWEEN CORPUS AND ITAIPU TO BE A CONFIRMATION THE FREQUENCY QUESTION WAS DISCUSSED.

9. GE CLAIMS TO HAVE BEEN DISCREETLY PUSHING THE PARAGUAYANS TO COME UP WITH AN ANSWER ON POWER FREQUENCY ISSUE. THEY INCLUDED A HIGH GE (US) OFFICIAL AT THE RECENT PRESENTATION OF THE TECHNICAL PACKAGE TO THE PARAGUAYAN ITAIPU COMMISSION TO POINT OUT THE SUBSTANTIAL EXTRA COST OF EQUIPMENT WHICH COULD BE ADJUSTED TO FUTURE CYCLES CHANGES. THEY WOULD NOT, HOWEVER, CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRASIL 03079 02 OF 02 210403Z

RAISE THIS WITH THE BRAZILIAN COMMISSION AT THE PRESENT TIME, SINCE PRESUMABLY THE GOB, HAVING ONLY A FEW YEARS BACK CONVERTED LARGE PARTS OF BRAZIL TO A UNIFIED 60 CYCLE FREQUENCY IS COUNTING ON A PARAGUAYAN CONVERSION OF POWER FREQUENCY.

10. ACCORDING TO ESTADO, REPORTS OUT OF BUENOS AIRES INDICATE ARGENTINE DIPLOMATIC SOURCES HAVE CHARACTERIZED STROESSNER'S VISIT TO BRAZIL ONLY EIGHT DAYS BEFORE RECEIVING VIDELA AS "INELEGANT" FROM POINT OF VIEW OF PROTOCOL. ESTADO SAID ARGENTINE PRESS CLAIMED ARGENTINES HAD PROPOSED TRILATERAL TALKS ON PARANA RIVER HYDROELECTRIC PROJECTS ONLY A MONTH AGO. CRIMMINS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHIEFS OF STATE MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRASIL03079
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770249-0654, D770135-1198
Format: TEL
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770444/aaaablxz.tel
Line Count: 213
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: faf7b4a2-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2768979
Secure: OPEN
Status: NATIVE
Subject: GEISEL AND STROESSNER MEET
TAGS: PFOR, PGOV, BR, PA, (STROESSNER, ALFREDO), (GEISEL, ERNESTO)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/faf7b4a2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009